

Mr. Chairman – Committee members – Good morning

My name is Chris Reynolds; I am a District Vice President of the Michigan Professional Fire Fighters Union and I am also an Engineer with the Bay City Fire Department in Bay City, MI serving there for the past 17 years.

Thank you for allowing me this opportunity to testify before you today on behalf my organization and the over 5000 firefighters it represents. Our firefighters are serving on the front lines protecting 130 different communities throughout the state of Michigan.

I come before you today to express our support for HB 5780.

As you are already aware, this bill will provide an exemption for any employee groups that are eligible to utilize P.A. 312, which includes firefighters.

I will explain today how PA 54 affects firefighters and the reasons we would like to see HB 5780 passed.

When P.A. 54 was passed last year, supporters of the legislation claimed that this law was needed to target employee groups that one, received annual raises based on seniority alone and two, these raises continue even under an expired contract thus implying there is no incentive to the employees to settle a new contract.

At that time, our organization went to great lengths to educate bill sponsors to the fact that it would also affect firefighters in a much different way. They reassured us at the time that it would not affect us. Now today, it is very clear that it does affect us and I will explain how.

Firefighters do not receive seniority step increases like the increases that were targeted by this law.

Our step increases are seen in two different scenarios.

One is when a fire fighter is hired on the job as new employee.

Employers through the years have bargained to have new employees start at a lower wage and get stepped up through a defined period of time before they reach full pay.

This typically is over a 4-5 year period and coincides with a probationary period.

The starting wage was never intended to be a wage they stayed at for any length of time, as it's much lower than the full wage.

Under PA 54, we have firefighters who have successfully passed their probationary period although are still being paid as probationary firefighters. These firefighters have assumed the responsibilities associated with being a full paid firefighter although are not being paid commensurate to those responsibilities.

Many fire fighters will take a pay cut from their previous job to start as a fire fighter, knowing that they will get to full pay in a certain time frame. This allows them to budget appropriately or supplement their income until such time they are at full pay.

Under PA 54 this obviously is not possible.

The second scenario that we see are step increases, when a firefighter is promoted to a position of rank within the organization, such as; Sergeant, Lieutenant, Captain, Battalion Chief, etc.

Similar to the first scenario, when we are promoted to a higher rank there is a probationary period to ensure proper job performance. Employers have also negotiated step increases for these positions which are typically spread over a 1 year period. Under PA 54 and with an expired contract, these firefighters will also have to assume all of the responsibility of the new promotion although not be paid commensurate to those responsibilities until the contract is settled.

Another effect of PA 54 is that there is no retroactivity allowed. In either scenario there is no way for the firefighter to recoup the lost wages even though they assumed the responsibilities and performed appropriately.

PA 54 also places on the employee any cost increases in health care premiums under an expired contract.

Now, due to the effects of PA 54 and the savings an employer receives while under an expired contract, we are seeing employers that have no interest in settling a contract. The longer they drag their feet the more money they save.

The intent of this law was to encourage settlements not to prolong them. The only thing this law does now is encourage the employer to NOT settle.

As firefighters, we have the option to file for PA 312 or binding arbitration, if either one of the parties reaches an impasse on the collective bargaining process.

With no incentive for the employer to settle a contract, it will force us to file for binding arbitration to get the process moving and ultimately get a contract.

And since PA 312 allows for retroactivity for pay and benefits, this would allow us to seek retroactivity on the step increases and health care premiums that PA 54 prohibits.

Last year there was extensive debate on PA 312 and reforms were passed to streamline the process and make the process fairer for both the employer and employees.

As it was noted throughout the debate on average only 5% of eligible bargaining groups actually utilize binding arbitration. This is due to the fact that it is always more beneficial to both sides to settle a contract through collaborative bargaining rather than to go to a third party to decide the issue.

Now we find ourselves in a position, that due to PA 54, we will be left with no other choice but to file for PA 312 to get a fair contract and get retroactivity on the lost wages.

Please remember that these are not seniority step increases, they are increases in pay for an increase in responsibility. Even before this law was passed, the majority of each bargaining group would not see any step increases with an expired contract.

Firefighters were an unintended consequence of this legislation and we ask you to please pass HB 5780 to resolve this issue. We don't want to see employee groups being left with no choice but to utilize PA 312 just to correct this unintended consequence.

Mr. Chairman – fellow committee members – thank you again for this opportunity to address you today.

I would be happy to answer any questions that you may have.



